



Investment Office

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AGENDA ITEM 5a

TO: MEMBERS OF THE INVESTMENT COMMITTEE

I. SUBJECT: Investment Office Strategic Plan and Roadmap

II. PROGRAM: Total Fund

III. RECOMMENDATION: Information

IV. ANALYSIS:

Background

In January 2010, the Investment Office developed a Roadmap to outline the key priorities and initiatives for the coming year. This one year plan laid the foundation for a more thoughtful, longer term planning effort to clarify our strategic direction and identify the objectives and initiatives for strengthening the Investment Office capacity and performance.

The 2011–12 Roadmap contains six strategic priorities. It introduces two new priorities – Talent Management and Investment Performance – as ongoing strategic focus areas. Financial Market Reform will continue as part of the Investment Office core workload but will not be reflected on the Roadmap.

Additionally this Roadmap shifts reporting from the calendar year to the fiscal year to better align with the CalPERS planning and budget cycles. The next Investment Office Roadmap strategic priorities are as follows:

- Investment Performance (new);
- Capital Allocation (existing);

- Risk Management (existing);
- Organization Systems and Controls (existing);
- Cost Effectiveness (existing); and,
- Talent Management (new).

The attached presentation identifies objectives and initiatives for each strategic priority for the 2011–12 fiscal year.

V. STRATEGIC PLAN:

This item supports the following Strategic Goals:

- Goal I: Exercise global leadership to ensure the sustainability of CalPERS pension and health benefit systems.
- Goal IX: Achieve long term, sustainable, risk-adjusted returns.

VI. RESULTS/COSTS:

Costs to implement the next phase of the Roadmap will be submitted in the Investment Office 2011–12 budget request.

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